

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE ENROLLED ACT No. 1346

AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-10-8.1-6, AS ADDED BY P.L.162-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The administrator shall pay or deny each clean claim in accordance with section 7 of this chapter.

(b) An administrator shall notify a provider of any deficiencies in a submitted claim not ~~less~~ **more** than:

- (1) thirty (30) days for a claim that is filed electronically; or
 - (2) forty-five (45) days for a claim that is filed on paper;
- and describe any remedy necessary to establish a clean claim.

(c) Failure of an administrator to notify a provider as required under subsection (b) establishes the submitted claim as a clean claim.

SECTION 2. IC 27-8-5.7-5, AS ADDED BY P.L.162-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) An insurer shall pay or deny each clean claim in accordance with section 6 of this chapter.

(b) An insurer shall notify a provider of any deficiencies in a submitted claim not ~~less~~ **more** than:

- (1) thirty (30) days for a claim that is filed electronically; or
 - (2) forty-five (45) days for a claim that is filed on paper;
- and describe any remedy necessary to establish a clean claim.

(c) Failure of an insurer to notify a provider as required under subsection (b) establishes the submitted claim as a clean claim.



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SECTION 3. IC 27-13-36.2-3, AS ADDED BY P.L.162-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A health maintenance organization shall pay or deny each clean claim in accordance with section 4 of this chapter.

(b) A health maintenance organization shall notify a provider of any deficiencies in a submitted claim not ~~less~~ **more** than:

- (1) thirty (30) days for a claim that is filed electronically; or
 - (2) forty-five (45) days for a claim that is filed on paper;
- and describe any remedy necessary to establish a clean claim.

(c) Failure of a health maintenance organization to notify a provider as required under subsection (b) establishes the submitted claim as a clean claim.

SECTION 4. IC 27-13-36.2-4, AS ADDED BY P.L.162-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A health maintenance organization shall pay or deny each clean claim as follows:

- (1) If the claim is filed electronically, not ~~less~~ **more** than thirty (30) days after the date the claim is received by the health maintenance organization.
- (2) If the claim is filed on paper, not ~~less~~ **more** than forty-five (45) days after the date the claim is received by the health maintenance organization.

(b) If:

- (1) a health maintenance organization fails to pay or deny a clean claim in the time required under subsection (a); and
- (2) the health maintenance organization subsequently pays the claim;

the health maintenance organization shall pay the provider that submitted the claim interest on the lesser of the usual, customary, and reasonable charge for the health care services provided to the enrollee or an amount agreed to between the health maintenance organization and the provider paid under this section.

(c) Interest paid under subsection (b):

- (1) accrues beginning:
 - (A) thirty-one (31) days after the date the claim is filed under subsection (a)(1); or
 - (B) forty-six (46) days after the date the claim is filed under subsection (a)(2); and
- (2) stops accruing on the date the claim is paid.

(d) In paying interest under subsection (b), a health maintenance organization shall use the same interest rate as provided in

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IC 12-15-21-3(7)(A).

SECTION 5. P.L.220-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: SECTION 1. (a) As used in this SECTION, "commission" refers to the Indiana commission on excellence in health care established by subsection (d).

(b) As used in this SECTION, "health care professional" has the meaning set forth in IC 16-27-1-1.

(c) As used in this SECTION, "health care provider" includes the following:

- (1) A hospital or an ambulatory outpatient surgical center licensed under IC 16-21.
- (2) A hospice program (as defined in IC 16-25-1.1-4).
- (3) A home health agency licensed under IC 16-27-1.
- (4) A health facility licensed under IC 16-28.

(d) There is established the Indiana commission on excellence in health care.

(e) The commission consists of the following members:

- (1) Four (4) members appointed from the house of representatives by the speaker of the house of representatives. Not more than two (2) of the members appointed under this subdivision may be members of the same political party.
- (2) Four (4) members appointed from the senate by the president pro tempore of the senate. Not more than two (2) of the members appointed under this subdivision may be members of the same political party.
- (3) The governor or the governor's designee.
- (4) The state health commissioner appointed under IC 16-19-4-2 or the commissioner's designee.
- (5) One (1) member appointed by the governor who is a former dean or former faculty member of the Indiana University School of Medicine.
- (6) One (1) member appointed by the governor who is a former dean or former faculty member of an Indiana school of nursing.
- (7) One (1) member appointed by the governor who is a health care provider or a representative for individuals who have both a mental illness and a developmental disability.

(f) The commission shall operate under the rules of the legislative council. The commission shall meet upon the call of the chairperson.

(g) The affirmative votes of at least seven (7) voting members of the commission are required for the commission to take any action, including the approval of a final report.

(h) The speaker of the house of representatives shall appoint the

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chairperson of the commission during odd-numbered years beginning January 1. The president pro tempore of the senate shall appoint the chairperson of the commission during even-numbered years beginning January 1.

(i) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) Each member of the commission who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(k) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

(l) The legislative services agency shall provide staff to support the commission. The legislative services agency is not required to provide staff assistance to the subcommittees of the commission except to the extent the subcommittees require copying services.

(m) The expenses of the commission shall be paid from funds appropriated to the legislative services agency.

(n) The commission shall study the quality of health care, including mental health, and develop a comprehensive statewide strategy for improving the health care delivery system. The commission shall do the following:

- (1) Identify existing data sources that evaluate quality of health care in Indiana and collect, analyze, and evaluate this data.
- (2) Establish guidelines for data sharing and coordination.
- (3) Identify core sets of quality measures for standardized reporting by appropriate components of the health care continuum.
- (4) Recommend a framework for quality measurement and outcome reporting.
- (5) Develop quality measures that enhance and improve the ability to evaluate and improve care.



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- (6) Make recommendations regarding research and development needed to advance quality measurement and reporting.
- (7) Evaluate regulatory issues relating to the pharmacy profession and recommend changes necessary to optimize patient safety.
- (8) Facilitate open discussion of a process to ensure that comparative information on health care quality is valid, reliable, comprehensive, understandable, and widely available in the public domain.
- (9) Sponsor public hearings to share information and expertise, identify best practices, and recommend methods to promote their acceptance.
- (10) Evaluate current regulatory programs to determine what changes, if any, need to be made to facilitate patient safety.
- (11) Review public and private health care purchasing systems to determine if there are sufficient mandates and incentives to facilitate continuous improvement in patient safety.
- (12) Analyze how effective existing regulatory systems are in ensuring continuous competence and knowledge of effective safety practices.
- (13) Develop a framework for organizations that license, accredit, or credential health care professionals and health care providers to more quickly and effectively identify unsafe providers and professionals and to take action necessary to remove an unsafe provider or professional from practice or operation until the professional or provider has proven safe to practice or operate.
- (14) Recommend procedures for development of a curriculum on patient safety and methods of incorporating the curriculum into training, licensure, and certification requirements.
- (15) Develop a framework for regulatory bodies to disseminate information on patient safety to health care professionals, health care providers, and consumers through conferences, journal articles and editorials, newsletters, publications, and Internet websites.
- (16) Recommend procedures to incorporate recognized patient safety considerations into practice guidelines and into standards related to the introduction and diffusion of new technologies, therapies, and drugs.
- (17) Recommend a framework for development of community based collaborative initiatives for error reporting and analysis and implementation of patient safety improvements.
- (18) Evaluate the role of advertising in promoting or adversely affecting patient safety.

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(19) Evaluate and make recommendations regarding the need for licensure of additional persons who participate in the delivery of health care to Indiana residents.

(20) Evaluate the benefits and problems of the current disciplinary systems and make recommendations regarding alternatives and improvements.

(21) Study and make recommendations concerning the long term care system, including self-directed care plans and the regulation and reimbursement of public and private facilities that provide long term care.

(22) **Study and make recommendations concerning increasing the number of:**

(1) nurses;

(2) respiratory care practitioners;

(3) speech pathologists; and

(4) dental hygienists.

(23) Study any other topic required by the chairperson.

(o) The commission may create subcommittees to study topics, receive testimony, and prepare reports on topics assigned by the commission. The chairperson shall select from the topics listed under subsection (n) the topics to be studied by the commission and subcommittees each year. The chairperson shall appoint persons to act as chairperson and secretary of each subcommittee. The commission shall by majority vote appoint **initial** members to each subcommittee. **Each subcommittee may by a majority vote of the members appointed to the subcommittee make a recommendation to the commission to appoint additional members to the subcommittee. The commission may by a majority vote of the members appointed to the commission appoint or remove members of a subcommittee.** A member of a subcommittee, including a commission member while serving on a subcommittee, is not entitled to per diem, mileage, or travel allowances.

(p) The commission shall submit:

(1) interim reports not later than October 1, 2001, and October 1, 2002; and

(2) a final report not later than October 1, 2003;

to the governor, members of the health finance commission, and the legislative council. With the consent of the chairperson of the commission and the chairperson of the health finance commission, the commission and the health finance commission may conduct joint meetings.

(q) This SECTION expires July 1, 2004.



SECTION 6. An emergency is declared for this act.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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